



Senior Enlisted Personnel: Do We Need Another Grade?

September 3, 2016

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- Address compensation issues to support the management of the force
 - Accession
 - Retention
- Types of compensation
 - Basic pay
 - Promotions
 - Longevity
 - Special pay, allowances, and bonuses
 - Health care and retirement

Transformation



- Addressed
 - More technical requirements
 - Better educated force
 - More senior experienced force
- Most effective use of pay
 - Targeted increases
 - Larger increases for senior enlisted

Transformation and E-10 - The Service's Perspective



Another Force Management Tool

- To further shape the force
- To age the force without stagnation
- To support more experience in top 6 grades
- To support longer careers
- To ensure another quality cut for those serving longer careers
- To provide an incentive for the fast-trackers to serve longer

Transformation and E-10 - The Individual's Perspective



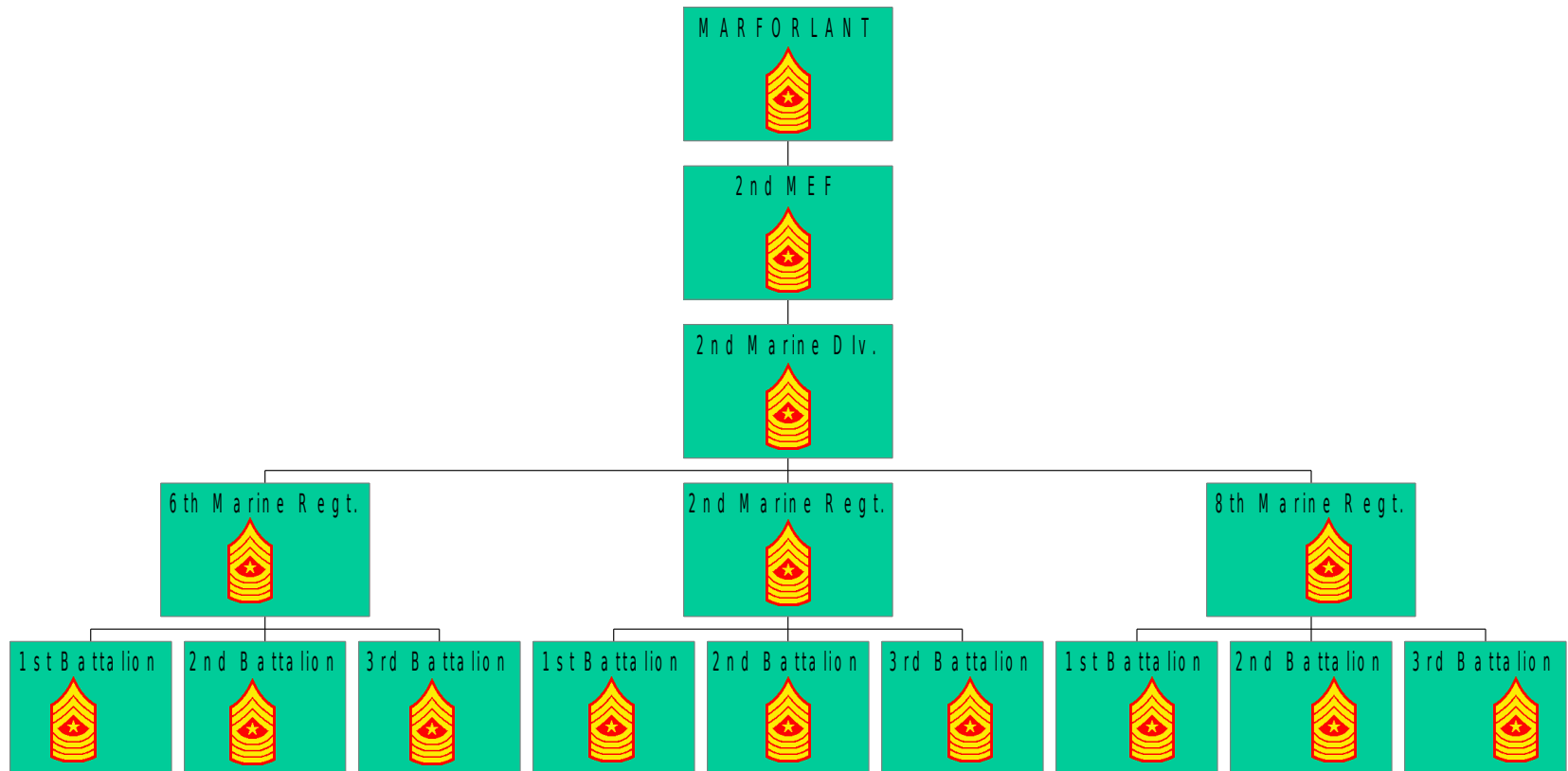
- Pay increase that comes with another promotion
- Pay increase that is transportable
- Pay increase that carries into and enhances retirement
- Prestige of another promotion

History of the Enlisted Grades

- Before 1920 6 grades
 - E-1 was top grade
 - E-7 added and became top grade
- 1958
 - Cordiner Commission report said

“A situation exists wherein E-7s supervise E-7s who supervise other E-7s. The establishment of the pay grades of E-8 and E-9 will make it possible to distinguish properly between the different levels of responsibility and provide the necessary monetary recognition for the jobs being performed by those who hold the grades”
 - E-8 and E-9 grades added

USMC Sergeants Major Senior Enlisted Advisors MARFORLANT (Infantry Portion)



Today's E-9s



- Navy, Air Force, and Army have about 3,000 E-9s; Marine Corps about 1,300
- Two types
 - Technical or duty experts within specific field
 - Senior enlisted advisors (SEAs) to commanders

What Makes an E-9?



- Been through a *very* competitive promotion process to get to E-9
- Only 1% of enlisted force
- E-9s make up less than 7% of enlisted retirees
- Pay comparisons should probably be with the civilian 90-95th percentile

Comparisons with Officers: Promotion



• Timing

- Navy
 - 20.0 years for E-9s and 19.6 years for O-6s
- Army
 - 21.3 years for E-9s and 20.7 years for O-6s
- Air Force
 - 22.3 years for E-9s and 20.6 years for O-6s
- Marine Corps
 - 22.6 years for E-9s and 22.5 years for O-6s

What is the Average Time as E-9?



- Using the average years of service for promotion and separation (1999 data)
 - 6.2 years in the Navy
 - 6.0 years in the Army
 - 5.4 years in the Air Force
 - 5.4 years in the Marine Corps
- Is 6 years in grade long enough for top performers?
 - Most retire well before regulations require it
 - 10% leave with 22 or fewer years of service

Incentives/Disincentives for E-9s to continue in service

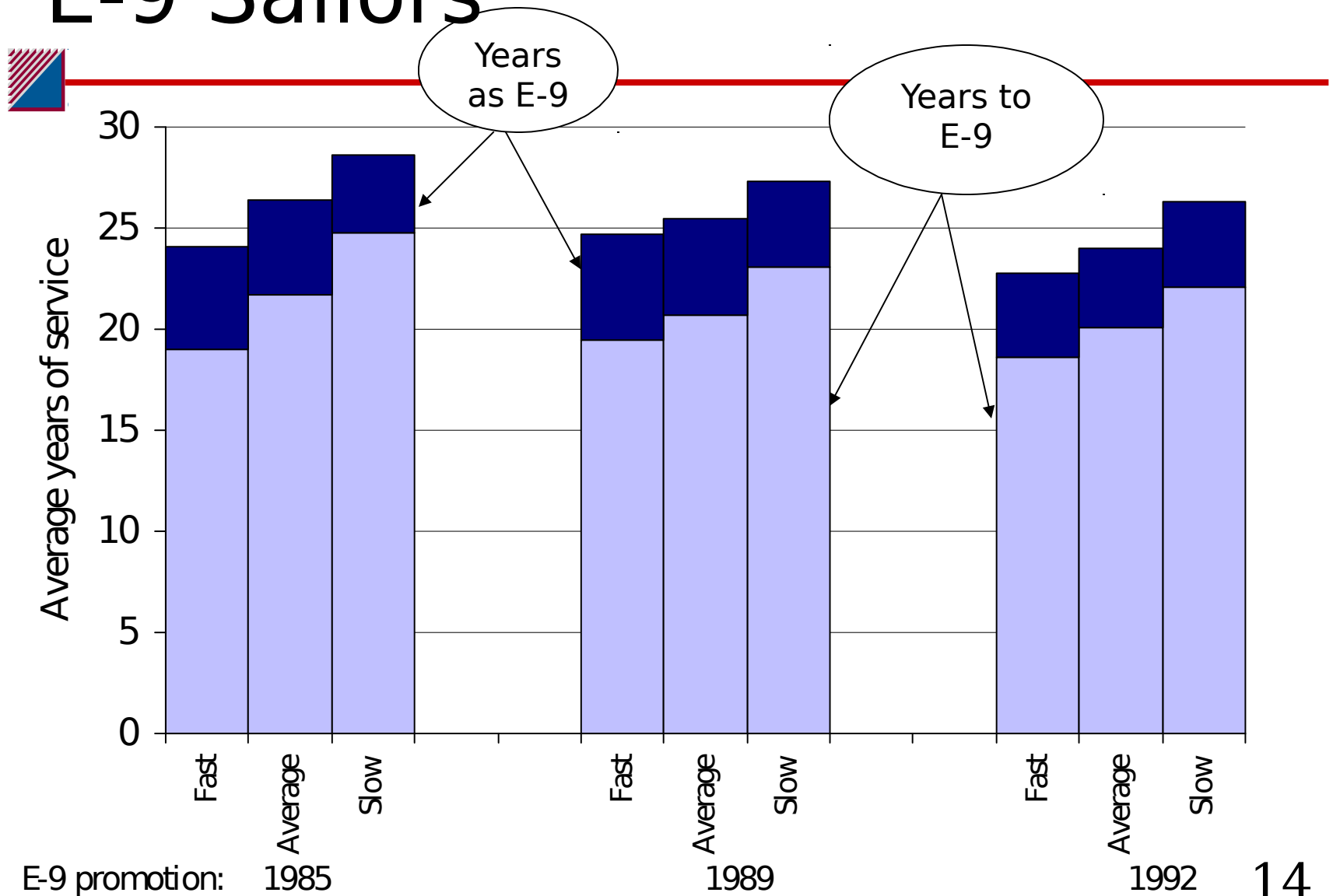
- Positive
 - Increasing responsibility
 - More years toward retirement
 - Longevity increases
- Negative
 - No further advancement possibilities
 - Longevity pay increases are small and stop at 26 years of service
 - Getting head-start on second “career”

“Quality” and E-9

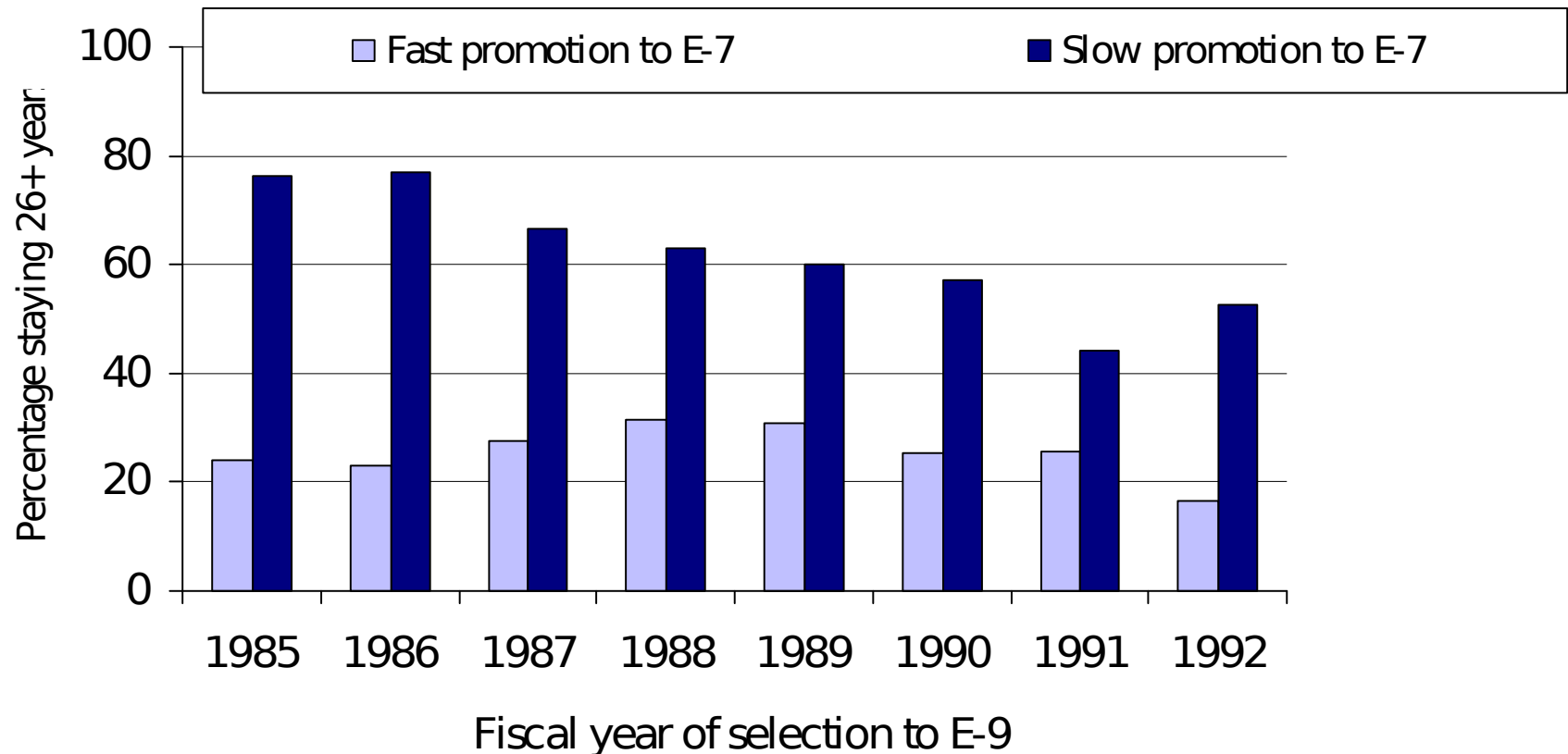
Retention

- Could we proxy “quality”? Very hard
- Established 3 categories (fast, average and slow) by months to E-7 promotion
 - By year of promotion and Navy rating
 - Example: 100 Electronic Technicians promoted in FY85. Sorted into thirds by months of service to E-7 promotion
- After E-7 promotion we followed these sailors for many years

Completed Years of Service: E-9 Sailors



E-9 Sailors: % Staying 26 or more Years



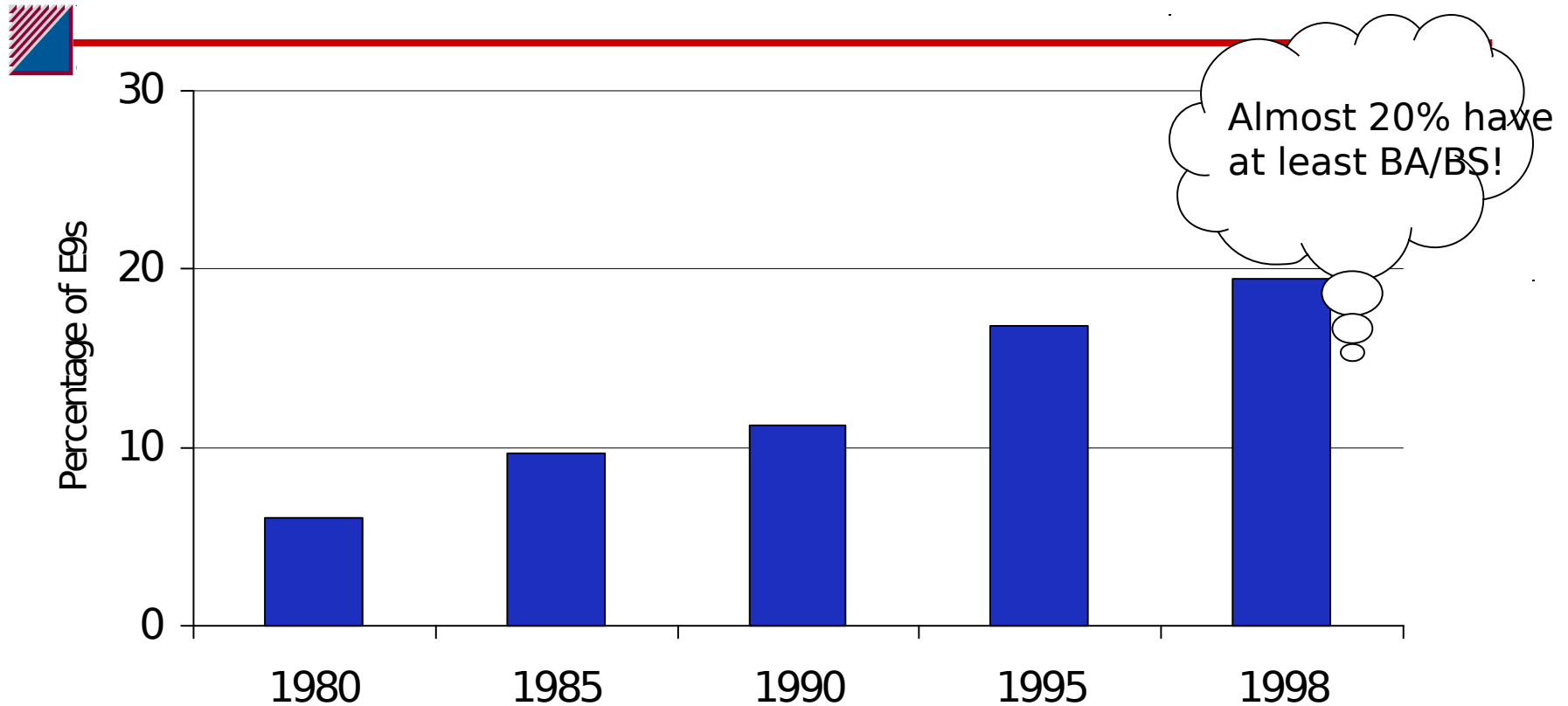
Note: Fast, average, and slow promoters were calculated separately within Navy rank and year of E-7 promotion.

Basic Pay for new E-9s in 2001

- Fast track* average 21.4 years of service: basic pay is \$43,222
- Average track average 23.2 years of service: basic pay is \$44,914
- Slow track average 24.2 years of service: basic pay is \$46,591

Fast, average, and slow track are determined E-7 promotion (separately by MOS and year of promotion).

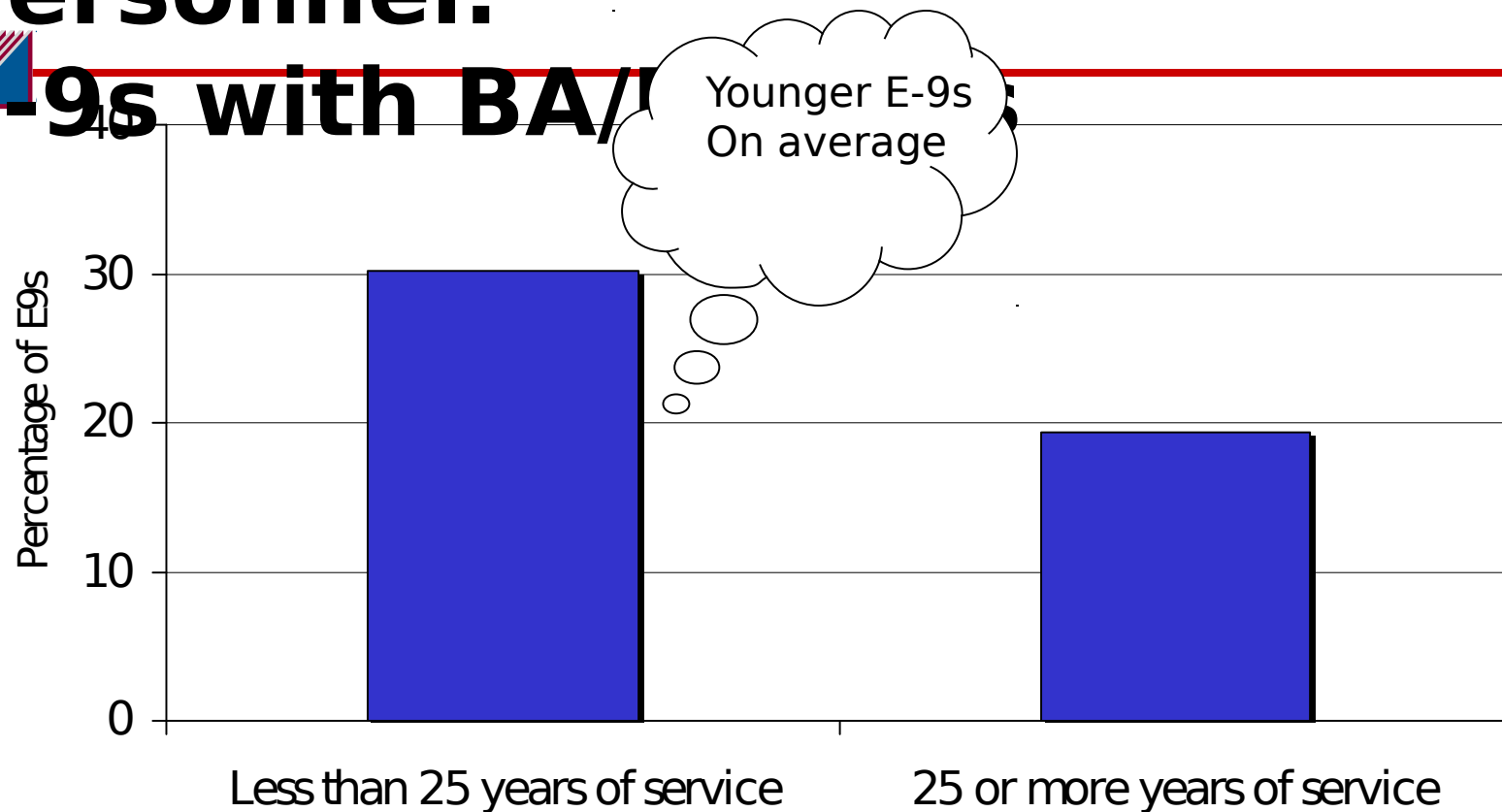
College Graduates



Source:DMDC personnel data (calculations for CNA)

1999 Survey of Active Duty Personnel:

E-9s with BA/BS



Source:DMDC personnel data (calculations for CNA). Note this implies 25.6% of E-9s have at least a BA/BS degree.

E-10 Proposal



- Current law limits
 - 3.5 percent for E-8 plus E-9
 - 1 percent for E-9
- Proposed limits
 - 3.7 percent for E-8 through E-10
 - 0.2 percent for E-10 (about 300 Marines)
- Each service determines
 - Number of E-10s (up to 0.2 percent)
 - Allocation between SEAs and Technical

Questions?